



HEDRA Memorandum

To: HEDRA Board of Commissioners

From: Rusty Fifield, Economic Development Coordinator
John Hinzman, Community Development Director

Date: May 1, 2020

Subject: HEART Grant Program

Action Requested

Adopt the resolution in Attachment A establishing the Hastings Economic Assistance for Recovery Together Grant Program and creating a Grant Review Committee.

Background

Following the March 16 joint workshop of HEDRA and the City Council, the Council established the COVID-19 Economic Development Task Force. The Task Force members are Mayor Mary Fasbender, Council Members Tina Folch and Trevor Lund, Kristy Barse and Bruce Goblirsch. After several meetings of considering need and forms of financial assistance, the Task Force has created a grant program for consideration by HEDRA.

The proposed program, Hastings Economic Assistance for Recovery Together (or HEART) provides grants to local businesses to help pay for changes in business practices in response to COVID-19. This program has the additional advantage of providing an incentive to develop a plan to address this issue. The Task Force believes that the proposed program provides tangible and meaningful assistance with identifiable outcomes.

The description of the grant program in Attachment B provides an explanation of the intent and the mechanics of the program. Several other points are necessary for HEDRA's review:

- The proposed funding strikes a balance between a meaningful grant amount, maximizing the businesses helped, and leaving funds for future HEDRA action. The \$4,000 grant amount approaches the grants sought by local businesses from the U.S. Chamber of Commerce. The total funding of \$200,000 allows making grants to 50 businesses.
- Interested businesses will have almost seven days to complete and submit applications. We believe that this approach will lead to more thoughtful proposals than a first-come first-served approach. It is recommended that the applications be reviewed by a three-person committee consisting of John Hinzman, Kristy Barse and Bruce Goblirsch. The committee should have the authority to evaluate applications and award the grants. We have created a process that makes the grant funds available by May 15.

- The proposed program has been reviewed by the City Attorney. His comments have been addressed.
- The proposed scoring methodology only applies if we receive applications for more than the \$200,000 allocated to this program.

The proposed Application Form appears in Attachment C.

Attachment A

HASTINGS ECONOMIC AND REDEVELOPMENT AUTHORITY

RESOLUTION NO. 05-1-20

A RESOLUTION ESTABLISHING THE HASTINGS ECONOMIC ASSISTANCE FOR RECOVERY TOGETHER GRANT PROGRAM

Board member _____ introduced the following Resolution and moved its adoption:

WHEREAS, the World Health Organization has declared the worldwide outbreak of Coronavirus to be a pandemic (the “Pandemic”); and

WHEREAS, the Governor of Minnesota has issued a series of executive orders to help limit the spread of the Pandemic, including declaring a peacetime public emergency, directing the closure of all schools, and ordering the closure of bars, restaurants and other places of public accommodation (the “Executive Orders”); and

WHEREAS, the U.S. Center for Disease Control and Prevention (the “CDC”) has issued a series of directives to limit personal interaction to slow the spread of the Pandemic; and

WHEREAS, these actions have had significant adverse effects on local businesses, including closure, significant reduction in revenues, and loss of employees; and

WHEREAS, local businesses will be required to implement changes in business practices related to the Pandemic in order to return to operation and such changes place an additional economic burden on these businesses; and

WHEREAS, the City Council has determined that the encouragement and the financial support of economic development and redevelopment in the City is vital to the orderly development and financing of the City and is in the best interests of the health, safety, prosperity and general welfare of the citizens of the City and has established the Hastings Economic Development and Redevelopment Authority (HEDRA) to accomplish these objectives; and

WHEREAS, City Financial Assistance and Business Subsidy Criteria state that retaining existing jobs, enhancing economic stability and addressing changes in the economy are public purposes.

NOW THEREFORE BE IT RESOLVED as follows:

1. The Hastings Economic Assistance for Recovery Together Grant Program is approved pursuant to the Grant Program Description in Exhibit A.
2. The total amount of grants awarded may not exceed \$200,000.
3. The Executive Director is authorized to prepare an application form and to solicit applications from eligible businesses.
4. A Grant Review Committee is established to review, evaluate and award funds to the applications. John Hinzman, Kristy Barse and Bruce Goblirsch will serve on the Committee.

Board member _____ moved a second to this resolution and upon being put to a vote it was unanimously adopted by all Board Members present.

Adopted by the Board of Commissioners of the Hastings Economic Development and Redevelopment Authority on May 5, 2020 by the following vote:

Ayes:

Nays:

Absent:

Martha Sullivan, President

ATTEST:

Rusty Fifield
Secretary



Attachment B

Hastings Economic Assistance for Recovery Together Grant Program Description

Hastings Economic Development and Redevelopment Authority

Applications Must Be Submitted By 5:00 PM, May 12, 2020

The Need for Assistance

The Hastings City Council has determined that the encouragement and the financial support of economic development and redevelopment in the City is vital to the orderly development and financing of the City and in the best interests of the health, safety, prosperity and general welfare of the citizens of the City. The City Council established the Hastings Economic Development and Redevelopment Authority (HEDRA) to address economic development and redevelopment issues facing the community. In 2020, the critical economic development issue is the impacts of the Coronavirus.

In March 2020, the World Health Organization declared the worldwide outbreak of Coronavirus to be a pandemic (the “Pandemic” or “COVID-19”). The Governor of Minnesota has issued a series of executive orders to help limit the spread of the Pandemic, including declaring a peacetime public emergency, directing the closure of all schools, and ordering the closure of bars, restaurants and other places of public accommodation (the “Executive Orders”). The U.S. Center for Disease Control and Prevention (the “CDC”) has issued a series of directives to limit personal interaction to slow the spread of the Pandemic. These actions have had significant adverse effects on local businesses, including closure, significant reduction in revenues, and loss of employees. The continuation of these events will have devastating short-term and long-term effects on the well-being of the community.

After evaluating alternative means of assistance, HEDRA has established the Hastings Economic Assistance for Recovery Together (HEART) Program. The objective of HEART is to help local businesses adapt business practices to protect the health of customers and employees and thereby establishing the means for successful operation. This assistance conforms with City policies on Financial Assistance and Business Subsidy and with state law governing business subsidies.

Program Description

Qualifying businesses are eligible to receive a grant in an amount not to exceed \$4,000 to pay for changes in business practices for customer and employee safety due to COVID-19. The total amount of HEART grants is \$200,000.

Eligible Activities

The grant may only be used for costs directly related to activities needed to adapt the business to operations related to COVID-19. Eligible activities include:

- Building improvements, equipment and furnishings
- Personal protective equipment
- Sanitizing supplies
- Signage
- Employee training
- Transition to online sales.

Grant funds may be used to reimburse for expenditures made for the activities after March 16^o, 2020 and prior to the receipt of the grant only with HEDRA approval.

The grant application will include a description of why COVID-19 requires a change in business practices, the plan for implementing new practices and the proposed use of grant funds. In submitting the application, the business will commit to using the grant funds only for these uses.

Eligible Businesses

Businesses that meet the following criteria are eligible to submit grant applications:

1. The business must be in operation at the current location within the City of Hastings at the time of application.
2. The business must be registered with the Minnesota Secretary of State unless it is a sole proprietorship or partnership that is not required to file with the Secretary of State's Office to do business in Minnesota
3. The business cannot be delinquent on any fees or charges with the City of Hastings.
4. The business must have employed the equivalent of 20 or fewer full-time employees (FTE) on March 1, 2020. (A full-time employee = 1 FTE. Each part-time employee = 0.5 FTE.)
5. The grant application must be signed by the business owner.

Reporting

Grant recipients must agree to complete and submit the Grant Report Form provided by HEDRA. The report will include documentation of activities paid for with grant funds and a description of how these activities affected operations and the response to COVID-19.

Application Process

The application form for the HEART grant will be available on the City of Hastings website (www.hastingsmn.gov) beginning on May 6. **Completed applications must be submitted via email to HEART@hastingsmn.gov no later than 5:00 PM CDT on May 12, 2020. Only complete grant applications will be considered for funding.**

The applications will be reviewed and evaluated by a Grant Review Committee established by HEDRA. The Committee will decide the recipients and amounts of the HEART grants. Businesses receiving grants will be contacted via email on May 14, 2020. Grant funds will be available for disbursement on May 15.

The Grant Review Committee will assign a score to each application based on the following factors:

- Overall completeness of grant application (maximum 15 points).
- Explanation of impact of COVID-19 on business practices (maximum 25 points).
- Description of plan to address these impacts (maximum 25 points).
- Effectiveness of proposed activities to be undertaken with grant funds (maximum 25 points).
- Lack of other financial assistance from Federal, State and City sources (maximum 10 points).

This score will be used to allocate grant funds in the event that the total amount of applications exceeds the \$200,000 limit.



Attachment C

Hastings Economic Assistance for Recovery Together
Grant Application Form

Hastings Economic Development and Redevelopment Authority

**Please read the Grant Program Description
Applications Must Be Submitted By 5:00 PM, May 12, 2020**

Applicant Information

Business Legal Name:

Business Operating Name (if different):

Street Address:

City:

State:

Zip Code:

Mailing Address (if different):

Primary Contact Information

Name:

Phone:

Email:

Legal Structure of Business:

Limited Liability Entity

Corporation

Sole Proprietorship

Partnership

Federal EIN:

State Tax ID Number:

Number of Employees on March 1, 2020

Full-time

Part-time

Please provide a brief description of your business:

How has COVID-19 affected your business?

Briefly, what is your plan to reopen/recover when the Governor lifts the current restrictions?

What changes to your business practices and facilities are needed to provide a safe environment for employees and customers and to otherwise operate in this environment?

How will you use the HEART Grant?

Provide estimated costs and source of estimate.

Eligible Activities	Estimated Cost	Source of Estimate
Building improvements, equipment and furnishings		
Personal protective equipment		
Sanitizing supplies		
Signage		
Employee training		
Transition to online sales		
Other		

Explain Purpose of Other:

Have you applied for any Federal or State assistance? If Yes, please complete the table.

Program	Use of Program	If Submitted
Payroll Protection Program (SBA)	Not aware of program Chose not to apply Not eligible Submitted application	Amount requested \$ Amount received \$
Economic Injury Disaster Loan (SBA)	Not aware of program Chose not to apply Not eligible Submitted application	Amount requested \$ Amount received \$
Economic Injury Disaster Loan Advance (SBA)	Not aware of program Chose not to apply Not eligible Submitted application	Amount requested \$ Amount received \$
Small Business Emergency Loan (DEED)	Not aware of program Chose not to apply Not eligible Submitted application	Amount requested \$ Amount received \$
Small Business Loan Guarantee (DEED)	Not aware of program Chose not to apply Not eligible Submitted application	Amount requested \$ Amount received \$

Have you received any other financial assistance related to COVID-19? Yes No

If Yes, please describe.

Certification

By signing below, I certify that:

1. I have read the HEART Grant Program Description and I agree to abide by all of the terms and conditions of the Program.
2. Grant funds will only be spent on the eligible activities described in this application and I will provide a report to HEDRA on the use of grant funds no later than October 31, 2020.
3. The information provided in this application and in any supporting material that accompanies this application is true and complete to the best of my knowledge.
4. The Hastings Economic Development and Redevelopment Authority (HEDRA) and its staff have the right to verify any information contained in this application, including credit reports on the individuals and the business, and may contact any individuals and institutions involved with the proposed project.

Signature: _____ Date: _____

Printed Name: _____

Title: _____

Completed applications must be submitted via email to rfifield@hastingsmn.gov no later than 5:00 PM CDT on May 12, 2020. Only complete grant applications will be considered for funding.

FOR INTERNAL USE ONLY

Application Number:

Application Received Date: Time:

Applicant is not delinquent on any City fees or charges. Yes No

Comments

Applicant is registered with Minnesota Secretary of State. Yes No

Comments

